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5 Attorneys for PremierWest Bank  
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11 **IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF OREGON**

12 In re

13 **Pioneer Village Investments, LLC**, an  
14 Oregon limited liability company,

15 Debtor.

Case No. 10-62852-fra11

16 **DECLARATION OF JAMES ERSKINE  
IN SUPPORT OF MOTION FOR  
ORDER FIXING PARALLEL  
TIMELINES FOR COMPETING PLANS  
OF REORGANIZATION**

17 I, James Erskine, declare and state as follows:

18 1. I am the Vice President-Senior Commercial Lender and Administrator of  
19 Complex Commercial Loans under Credit Administration for PremierWest Bank (“Bank”),  
20 which is a secured creditor in this Chapter 11 case. I have personal knowledge of the facts set  
21 forth below, and if called and sworn as a witness, I could and would testify competently thereto.

22 2. I am expecting to receive a letter of intent from Falk Family Investments, LLC  
23 (“Falk”) the week of February 21, 2011, which contain an offer for the purchase by Falk of the  
24 Pioneer Village facility in Jacksonville, Oregon (the “Facility”) under a plan of reorganization  
25 sponsored by the Bank. That purchase transaction will provide for a \$12,000,000 purchase price  
26 combined with a \$250,000 carve-out for the benefit of resident deposit creditors on closing plus

1 an additional \$250,000 payment to such creditors on the fifth anniversary of closing. The  
2 purchase offer will be subject to financing and due diligence contingencies.

3           3.       I have also received inquiries from MBK Senior Living, Avamere, and Emeritus  
4   Senior Living (all companies with a significant presence in the assisted living/senior housing  
5   industry) regarding a possible purchase of the Facility.

6           4. I declare under penalty of perjury under the laws of the United States of America  
7    that the foregoing is true and correct.

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9 DATED : February 22, 2011

/s/ James Erskine

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James Erskine

10 /s/ James Erskine  
11 James Erskine  
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**CERTIFICATE OF SERVICE**

I hereby certify that I served copies of the foregoing **DECLARATION OF JAMES  
ERSKINE IN SUPPORT OF MOTION FOR ORDER FIXING PARALLEL  
TIMELINES FOR COMPETING PLANS OF REORGANIZATION** on the following  
parties by CM/ECF:

- DOUGLAS P CUSHING doug.cushing@jordanschrader.com, deborah.soloway@jordanschrader.com;Litparalegal@jordanschrader.com
- R CRAIG McMILLIN rcm@integraonline.com, cmfiling@hotmail.com
- JENNIFER L PALMQUIST jpalmquist@nwlawfirm.com
- MATTHEW SUTTON msutt@uci.net
- US Trustee, Eugene USTPRegion18.EG.ECF@usdoj.gov
- CAROLYN G WADE carolyn.g.wade@doj.state.or.us
- PATRICK W WADE hhecfb@hershnerhunter.com
- C CASEY WHITE ckcwhite@msn.com

15 and on the following parties by **mailing** a full, true and correct copy in a sealed first-class  
16 postage prepaid envelope, addressed to the parties listed below, and deposited with the United  
17 States Postal Service at Portland, Oregon on the date set forth below:

18 Susan Casto Peggy P. Eccles Revocable Living Trust  
19 888 Twin Creeks Crossing c/o Melvin D. Ferguson  
20 Central Point, OR 97502 541 Walnut Ave  
Klamath Falls, OR 97601

21 Irene Kartsounis Henry C. Winsor  
22 c/o Matthew Sutton Attorney 1601 Veranda Park Dr #2  
23 205 Crater Lake Avenue Medford, OR 97504  
24 Medford, OR 97504

DATED: February 22, 2011

/s/ Stuart Wylen  
Stuart Wylen, Legal Secretary